

109TH CONGRESS
2D SESSION

S. 3487

To amend the Small Business Act to reauthorize and improve the disaster loan program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 8, 2006

Mr. KERRY (for himself and Mr. PRYOR) introduced the following bill; which was read twice and referred to the Committee on Small Business and Entrepreneurship

A BILL

To amend the Small Business Act to reauthorize and improve the disaster loan program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Small Business Dis-
5 aster Loan Reauthorization and Improvements Act of
6 2006”.

7 **SEC. 2. FINDINGS.**

8 Congress finds that—

9 (1) 43 percent of businesses that close following
10 a natural disaster never reopen;

1 (2) an additional 29 percent of businesses close
2 down permanently within 2 years of a natural dis-
3 aster;

4 (3) the plan of the Federal Government for re-
5 sponse and recovery with respect to large scale dis-
6 asters does not meet the needs of homeowners and
7 small business concerns;

8 (4) on February 1, 2006, more than 5 months
9 after Hurricane Katrina struck the Gulf Coast, 48
10 percent of disaster loan applications remained un-
11 processed, meaning that of the nearly 370,000 dis-
12 aster loan applications received by the Administra-
13 tion, nearly 178,000 remained unprocessed;

14 (5) as of May 23, 2006, only 35 percent of total
15 disaster loan applications received by the Adminis-
16 tration had been approved;

17 (6) the Administration lacks the tools to re-
18 spond immediately and effectively to the needs of
19 victims in the aftermath of a large scale disaster,
20 such as the terrorist attacks of September 11, 2001,
21 or the 2005 Gulf Coast hurricanes;

22 (7) during a major disaster, the Administration
23 should utilize private lenders to assist in processing
24 loans, so that a back log of this magnitude will not
25 prevent disaster victims from accessing capital;

1 (8) during 2004 and 2005, in the aftermath of
2 Hurricane Charlie, Hurricane Francis, Hurricane
3 Ivan, Hurricane Jeanne, Hurricane Dennis, and
4 Hurricane Wilma, the State of Florida distributed
5 \$49,304,902 in bridge loans to small business con-
6 cerns, helping to save an estimated 32,560 jobs
7 statewide;

8 (9) there needs to exist a Federal standard for
9 providing bridge loans to disaster victims, to provide
10 access to capital while they wait for other types of
11 assistance;

12 (10) there is a demonstrated need for coun-
13 seling in the small business community that is not
14 being met by the Administration; and

15 (11) there is a need for greater coordination be-
16 tween responding agencies during disasters so that
17 Federal Government can put the needs of victims
18 first.

19 **SEC. 3. DEFINITIONS.**

20 In this Act—

21 (1) the terms “Administration” and “Adminis-
22 trator” mean the Small Business Administration
23 and the Administrator thereof, respectively;

24 (2) the term “applicable declared disaster”
25 means the declared disaster for the disaster area in

1 which the person seeking assistance under section
2 11(c) is located;

3 (3) the term “catastrophic national disaster”
4 means a catastrophic national disaster declared
5 under paragraph (4) of section 7(b) of the Small
6 Business Act (15 U.S.C. 636(b)), as added by this
7 Act;

8 (4) the term “declared disaster” means a major
9 disaster or a catastrophic national disaster;

10 (5) the term “disaster area” means—

11 (A) in the case of a major disaster, the
12 area for which such disaster was declared, dur-
13 ing the period of such declaration; and

14 (B) in the case of a catastrophic national
15 disaster, the United States, during the period of
16 such declaration;

17 (6) the term “disaster assistance” means assist-
18 ance under the disaster loan program of the Admin-
19 istration and section 321(a) of the Consolidated
20 Farm and Rural Development Act (7 U.S.C.
21 1961(a));

22 (7) the term “disaster loan program of the Ad-
23 ministration” means the assistance under section
24 7(b) of the Small Business Act (15 U.S.C. 636(b));

1 (8) the term “disaster update period” means
2 the period beginning on the date on which the Presi-
3 dent declares a major disaster or a catastrophic na-
4 tional disaster and ending on the date on which such
5 declaration terminates;

6 (9) the term “major disaster” has the same
7 meaning as in section 102 of the Robert T. Stafford
8 Disaster Relief and Emergency Assistance Act (42
9 U.S.C. 5122);

10 (10) the term “small business concern” has the
11 same meaning as in section 3 of the Small Business
12 Act (15 U.S.C. 632); and

13 (11) the term “small business development cen-
14 ter” means a small business development center es-
15 tablished under section 21 of the Small Business Act
16 (15 U.S.C. 648).

17 **SEC. 4. DISASTER LOAN PROGRAMS REAUTHORIZATION.**

18 (a) GENERAL AUTHORITY.—Section 20 of the Small
19 Business Act (15 U.S.C. note) is amended by inserting
20 after subsection (e) the following:

21 “(f) ADDITIONAL AUTHORIZATIONS FOR FISCAL
22 YEARS 2007 THROUGH 2009.—There are authorized to
23 be appropriated to the Administration for each of fiscal
24 years 2007 through 2009, such sums as may be necessary
25 to carry out the provisions of this Act not elsewhere pro-

1 vided for, including administrative expenses and necessary
 2 loan capital for disaster loans pursuant to section 7(b),
 3 and to carry out the Small Business Investment Act of
 4 1958, including salaries and expenses of the Administra-
 5 tion.”

6 (b) DISASTER MITIGATION PROGRAM.—

7 (1) IN GENERAL.—Section 20(c) of the Small
 8 Business Act (15 U.S.C. note) is amended by adding
 9 at the end the following:

10 “(3) \$15,000,000 for fiscal year 2007.

11 “(4) \$15,000,000 for fiscal year 2008.

12 “(5) \$15,000,000 for fiscal year 2009.”.

13 (2) INCREASE OF LOAN AMOUNTS.—Section
 14 7(b)(1)(A) of the Small Business Act (15 U.S.C.
 15 636(b)(1)(A)) is amended by inserting “of the ag-
 16 gregate costs of such damage or destruction (wheth-
 17 er or not compensated for by insurance or other-
 18 wise)” after “20 per centum”.

19 (3) PREDISASTER MITIGATION.—Section
 20 7(b)(1)(C) of the Small Business Act (15 U.S.C.
 21 636(b)(1)(C)) is amended by striking “fiscal years
 22 2000 through 2004” and inserting “fiscal years
 23 2007 through 2009”.

1 **SEC. 5. CATASTROPHIC NATIONAL DISASTERS.**

2 Section 7(b) of the Small Business Act (15 U.S.C.
3 636(b)) is amended by inserting immediately after para-
4 graph (3) the following:

5 “(4) CATASTROPHIC NATIONAL DISASTERS.—

6 “(A) DEFINITION.—In this paragraph the
7 term ‘catastrophic national disaster’ means a
8 disaster, natural or other, that the President
9 determines has caused significant adverse phys-
10 ical or economic conditions outside of the geo-
11 graphic reach of the disaster.

12 “(B) AUTHORIZATION.—The Adminis-
13 trator may make such loans under this para-
14 graph (either directly or in cooperation with
15 banks or other lending institutions through
16 agreements to participate on an immediate or
17 deferred basis) as the Administrator determines
18 appropriate to small business concerns located
19 anywhere in the United States that are eco-
20 nomically adversely impacted as a result of a
21 catastrophic national disaster.

22 “(C) LOAN TERMS.—A loan under this
23 paragraph shall be made on the same terms as
24 a loan under paragraph (2).”.

1 **SEC. 6. PUBLIC AWARENESS OF DISASTER DECLARATION**
2 **AND APPLICATION PERIODS.**

3 (a) IN GENERAL.—Section 7(b) of the Small Busi-
4 ness Act (15 U.S.C. 636(b)) is amended by inserting im-
5 mediately after paragraph (4), as added by this Act, the
6 following:

7 “(5) COORDINATION WITH FEMA.—

8 “(A) IN GENERAL.—Notwithstanding any
9 other provision of law, for any disaster (includ-
10 ing a catastrophic national disaster) declared
11 under this subsection or major disaster (as that
12 term is defined in section 102 of the Robert T.
13 Stafford Disaster Relief and Emergency Assist-
14 ance Act (42 U.S.C. 5122)), the Administrator,
15 in consultation with the Director of the Federal
16 Emergency Management Agency, shall ensure,
17 to the maximum extent practicable, that all ap-
18 plication periods for disaster relief under this
19 Act and the Robert T. Stafford Disaster Relief
20 and Emergency Assistance Act begin on the
21 same date and end on the same date.

22 “(B) DEADLINE EXTENSIONS.—Notwith-
23 standing any other provision of law—

24 “(i) not later than 7 days before the
25 closing date of an application period for
26 disaster relief under this Act for any dis-

1 aster (including a catastrophic national
2 disaster) declared under this subsection,
3 the Administrator, in consultation with the
4 Director of the Federal Emergency Man-
5 agement Agency, shall determine whether
6 to extend such application period; and

7 “(ii) not later than 7 days before the
8 closing date of an application period for
9 disaster relief under the Robert T. Staf-
10 ford Disaster Relief and Emergency Assist-
11 ance Act for any major disaster (as that
12 term is defined in section 102 of the Rob-
13 ert T. Stafford Disaster Relief and Emer-
14 gency Assistance Act (42 U.S.C. 5122))
15 for which the President has declared a cat-
16 astrophic national disaster under para-
17 graph (4), the Director of the Federal
18 Emergency Management Agency, in con-
19 sultation with the Administrator, shall de-
20 termine whether to extend such application
21 period.

22 “(6) PUBLIC AWARENESS OF DISASTERS.—If a
23 disaster (including a catastrophic national disaster)
24 is declared under this subsection, the Administrator
25 shall make every effort to communicate through

1 radio, television, print, and web-based outlets, all
2 relevant information needed by disaster loan appli-
3 cants, including—

4 “(A) the date of such declaration;

5 “(B) cities and towns within the area of
6 such declaration;

7 “(C) loan application deadlines related to
8 such disaster;

9 “(D) all relevant contact information for
10 victim services available through the Adminis-
11 tration (including links to small business devel-
12 opment center websites);

13 “(E) links to relevant State disaster assist-
14 ance websites; and

15 “(F) information on eligibility criteria for
16 Federal Emergency Management Agency dis-
17 aster assistance applications, as well as for Ad-
18 ministration loan programs, including where
19 such applications can be found.”.

20 (b) COORDINATION OF AGENCIES AND OUTREACH.—

21 Not later than 90 days after the date of enactment of this
22 Act, the Administrator and the Director of the Federal
23 Emergency Management Agency shall enter into an agree-
24 ment that ensures adequate lodging and transportation for
25 employees of the Administration, contract employees, and

1 volunteers during a major disaster, if such staff are need-
2 ed to assist businesses, homeowners, or renters in recov-
3 ery.

4 (c) MARKETING AND OUTREACH.—Not later than 90
5 days after the date of enactment of this Act, the Adminis-
6 trator shall create a marketing and outreach plan that—

7 (1) encourages a proactive approach to the dis-
8 aster relief efforts of the Administration;

9 (2) distinguishes between disaster services pro-
10 vided by the Administration and disaster services
11 provided by the Federal Emergency Management
12 Agency, including contact information, application
13 information, and timelines for submitting applica-
14 tions, the review of applications, and the disburse-
15 ment of funds;

16 (3) describes the different disaster loan pro-
17 grams of the Administration, including how they are
18 made available and what eligibility requirements
19 exist for each loan program;

20 (4) provides for regional marketing, focusing on
21 disasters occurring in each region before the date of
22 enactment of this Act, and likely scenarios for disas-
23 ters in each such region; and

1 (5) ensures that the marketing plan is made
2 available at small business development centers and
3 on the website of the Administration.

4 **SEC. 7. COORDINATION OF USDA AND ADMINISTRATION**
5 **DISASTER LOAN PROGRAMS.**

6 (a) IN GENERAL.—Not later than 1 year after the
7 date of enactment of this Act, the Comptroller General
8 of the United States shall conduct a study and submit a
9 report to the appropriate committees of Congress regard-
10 ing whether, and if so which, industries have difficulty ob-
11 taining disaster assistance from the Administration or the
12 Department of Agriculture.

13 (b) CONTENTS.—The report submitted under sub-
14 section (a) shall—

15 (1) consider relevant disasters declared under
16 section 7(b) of the Small Business Act and relevant
17 disasters declared under section 321 of the Consoli-
18 dated Farm and Rural Development Act;

19 (2) evaluate the provisions of law referred to in
20 paragraph (1) and the regulations promulgated
21 thereunder, as well as the division of responsibilities
22 and any memoranda of understanding between the
23 Department of Agriculture and the Administration,
24 to ensure consistency in providing disaster assist-
25 ance;

1 (3) determine whether there are industries that
2 are not covered under section 7(b) of the Small
3 Business Act or section 321 of the Consolidated
4 Farm and Rural Development Act; and

5 (4) make recommendations, if any, regarding
6 how the needs of industries can be better met during
7 a disaster described in paragraph (1).

8 (c) DEFINITION.—As used in this section, the term
9 “appropriate committees of Congress” means—

10 (1) the Committee on Agriculture, Nutrition,
11 and Forestry and the Committee on Small Business
12 and Entrepreneurship of the Senate; and

13 (2) the Committee on Agriculture and the Com-
14 mittee on Small Business of the House of Rep-
15 resentatives.

16 **SEC. 8. CONSISTENCY BETWEEN ADMINISTRATION REGU-**
17 **LATIONS AND STANDARD OPERATING PROCE-**
18 **DURES.**

19 The Administrator shall, promptly following the date
20 of enactment of this Act, revise the standard operating
21 procedures of the Administration so that such procedures
22 are consistent with Administration regulations for admin-
23 istering the disaster loan program of the Administration.

1 **SEC. 9. STUDY AND REPORT ON FEMA REVIEW PROCESS**
2 **FOR REFERRALS DURING DISASTER ASSIST-**
3 **ANCE APPLICATION PROCESS.**

4 (a) STUDY.—The Comptroller General of the United
5 States shall evaluate the disaster assistance application
6 and referral processes of the Federal Emergency Manage-
7 ment Agency and their impact on the disaster loan assist-
8 ance process at the Administration.

9 (b) REPORT.—Not later than 1 year after the date
10 of enactment of this Act, the Comptroller General shall
11 submit a report to the Committee on Small Business and
12 Entrepreneurship and the Committee on Homeland Secu-
13 rity and Governmental Affairs of the Senate, and the
14 Committee on Small Business and the Committee on
15 Homeland Security of the House of Representatives on its
16 findings under subsection (a), together with recommenda-
17 tions on the effectiveness and efficiency of the Federal
18 Emergency Management Agency disaster assistance appli-
19 cation process in directing eligible applicants to the Ad-
20 ministration, and any recommendations for legislative ac-
21 tion.

22 **SEC. 10. DEVELOPMENT AND IMPLEMENTATION OF MAJOR**
23 **DISASTER RESPONSE PLAN.**

24 (a) IN GENERAL.—Not later than January 31, 2007,
25 the Administrator shall, by rule, amend the 2006 Atlantic
26 hurricane season disaster response plan of the Administra-

tion to apply to major disasters and catastrophic national disasters, consistent with this Act and the amendments made by this Act.

(b) INCLUSIONS.—In carrying out this section, the Administrator shall develop and execute, not later than May 31, 2007, simulation exercises to demonstrate the effectiveness of the amended Hurricane Response Plan.

SEC. 11. OTHER LOAN ASSISTANCE.

(a) AUTHORITY FOR QUALIFIED PRIVATE CONTRACTORS TO PROCESS DISASTER LOANS.—Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting immediately after paragraph (6), as added by this Act, the following:

“(7) AUTHORITY FOR QUALIFIED PRIVATE CONTRACTORS TO PROCESS DISASTER LOANS.—The Administrator may enter into an agreement with a qualified private contractor, as determined by the Administrator, to process loans under this subsection in the event of a major disaster (as defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)) or a catastrophic national disaster declared under paragraph (4), under which the Administrator shall pay the contractor a fee for each loan processed.”.

1 (b) STATE BRIDGE LOAN PROGRAM.—

2 (1) AUTHORIZATION.—Notwithstanding any
3 other provision of law, a State may use funds made
4 available under title I of the Housing and Commu-
5 nity Development Act of 1974 (42 U.S.C. 5301 et
6 seq.) to make bridge grants and loans to any person
7 located in a disaster area in such State who was
8 negatively impacted by the applicable declared dis-
9 aster, to assist such person in covering costs until
10 the person is able to obtain loans through Adminis-
11 tration assistance programs or other sources.

12 (2) USE OF FUNDS.—

13 (A) IN GENERAL.—Funds designated
14 under paragraph (1) shall be used by a State
15 to provide bridge grants and loans, which may
16 be made to any person located in a disaster
17 area in such State who was negatively impacted
18 by the applicable declared disaster

19 (B) REIMBURSEMENT.—A State may use
20 the funds authorized under paragraph (1) as
21 reimbursement for any State funds used to pro-
22 vide bridge grants or loans to any person lo-
23 cated in a disaster area in such State who was
24 negatively impacted by the applicable declared
25 disaster, before the date on which the funds au-

1 thorized under paragraph (1) are made avail-
2 able.

3 (C) CRITERIA.—Notwithstanding any
4 other provision of law, in making bridge grants
5 and loans under paragraph (1), the State may
6 use such criteria as the State determines appro-
7 priate, and shall not be required to apply eligi-
8 bility criteria for programs administered by the
9 Federal Government.

10 (D) TERMS.—For any loan made by a
11 State under subparagraph (A)—

12 (i) such a loan may initially be a
13 noncollateralized, low-interest loan;

14 (ii) payments and interest on such a
15 loan may be deferred for at least 1 year
16 after the date on which the loan is made;

17 (iii) the balance remaining on such a
18 loan 5 years after the date on which the
19 loan is made may be forgiven entirely by
20 the State, if the borrower has continued to
21 operate during that 5-year period in a dis-
22 aster area in such State; and

23 (iv) such a loan may be forgiven by
24 the State, under such terms as it may set,
25 if the borrower cannot repay such loan.

1 (c) LOANS TO NONPROFITS.—Section 7(b) of the
 2 Small Business Act (15 U.S.C. 636(b)) is amended by in-
 3 serting immediately after paragraph (7), as added by this
 4 Act, the following:

5 “(8) DISASTER LOANS TO NONPROFITS.—

6 “(A) DEFINITIONS.—In this paragraph—

7 “(i) the term ‘applicable date’ means
 8 the day before the date on which a major
 9 disaster or a catastrophic national disaster
 10 occurred, as the case may be;

11 “(ii) the term ‘disaster area’ means—

12 “(I) in the case of a major dis-
 13 aster, the area for which such disaster
 14 was declared; and

15 “(II) in the case of a cata-
 16 strophic national disaster under para-
 17 graph (4), the United States; and

18 “(iii) the term ‘major disaster’ has the
 19 same meaning as in section 102 of the
 20 Robert T. Stafford Disaster Relief and
 21 Emergency Assistance Act (42 U.S.C.
 22 5122).

23 “(B) LOANS TO NONPROFITS.—In addition
 24 to any other loan authorized by this subsection,
 25 the Administrator may make such loans under

1 this subsection (either directly or in cooperation
 2 with banks or other lending institutions through
 3 agreements to participate on an immediate or
 4 deferred basis) as the Administrator determines
 5 appropriate to a nonprofit organization, includ-
 6 ing a religious organization, that—

7 “(i) was—

8 “(I) located in a disaster area on
 9 the applicable date for such disaster
 10 area; and

11 “(II) negatively impacted by the
 12 major disaster or the catastrophic na-
 13 tional disaster declared under para-
 14 graph (4), as the case may be; or

15 “(ii) is providing services to persons
 16 who were negatively impacted by a major
 17 disaster or a catastrophic national disaster
 18 declared under paragraph (4).”.

19 (d) INCREASED LOAN CAPS.—Section 7(b) of the
 20 Small Business Act (15 U.S.C. 636(b)) is amended by in-
 21 serting immediately after paragraph (8), as added by this
 22 Act, the following:

23 “(9) LOAN CAPS.—

24 “(A) AGGREGATE LOAN AMOUNTS.—Not-
 25 withstanding any other provision of law, and ex-

cept as provided in subparagraph (B), the aggregate loan amount outstanding and committed to a borrower under this subsection made as a result of a major disaster (as defined in section 102 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122)) or a catastrophic national disaster declared under paragraph (4) may not exceed \$10,000,000.

“(B) WAIVER AUTHORITY.—The Administrator may, at the discretion of the Administrator, waive the aggregate loan amount established under subparagraph (A).”.

(e) COORDINATION OF EFFORTS BETWEEN THE ADMINISTRATOR AND THE INTERNAL REVENUE SERVICE TO EXPEDITE LOAN PROCESSING.—The Administrator and the Commissioner of Internal Revenue shall, to the maximum extent practicable, ensure that all relevant and allowable tax records for loan approval are shared with loan processors in an expedited manner, upon request by the Administrator.

(f) USE OF PREDISASTER CREDIT SCORE.—Section 7(b) of the Small Business Act (15 U.S.C. 636(b)) is amended by inserting immediately after paragraph (9), as added by this Act, the following:

1 “(10) CREDIT SCORE.—Notwithstanding any
 2 other provision of law, in making a loan under this
 3 subsection, the Administrator shall assess the risk of
 4 default by the applicant based on the credit score of
 5 the applicant on the day before the date on which
 6 the disaster for which the applicant is seeking assist-
 7 ance was declared.”.

8 (g) REPORT ON LOAN APPROVAL RATE.—

9 (1) IN GENERAL.—Not later than 6 months
 10 after the date of enactment of this Act, the Adminis-
 11 trator shall submit a report to the Committee on
 12 Small Business and Entrepreneurship of the Senate
 13 and the Committee on Small Business of the House
 14 of Representatives detailing how the Administration
 15 can improve the processing of applications under the
 16 disaster loan program of the Administration.

17 (2) CONTENTS.—The report submitted under
 18 paragraph (1) shall include—

19 (A) recommendations, if any, regarding—

20 (i) staffing levels during a major dis-
 21 aster; and

22 (ii) how to improve the process for
 23 processing, approving, and disbursing
 24 loans under the disaster loan program of
 25 the Administration, to ensure that the

1 maximum assistance is provided to victims
 2 in a timely manner; and

3 (B) the plans of the Administrator for im-
 4 plementing any recommendation made under
 5 subparagraph (A).

6 (h) SUPPLEMENTAL EMERGENCY LOANS AFTER DIS-
 7 ASTERS.—

8 (1) IN GENERAL.—Section 7(a) of the Small
 9 Business Act (15 U.S.C. 636(a)) is amended by add-
 10 ing at the end the following:

11 “(32) SUPPLEMENTAL EMERGENCY LOANS
 12 AFTER DISASTERS.—

13 “(A) LOAN AUTHORITY.—In addition to
 14 any other loan authorized by this subsection,
 15 the Administrator shall make such loans under
 16 this subsection (either directly or in cooperation
 17 with banks or other lending institutions through
 18 agreements to participate on an immediate or
 19 deferred basis) as the Administrator determines
 20 appropriate to a small business concern, located
 21 anywhere in the United States, that is directly
 22 adversely affected by a catastrophic national
 23 disaster declared under subsection (b)(4), based
 24 on such criteria as the Administrator may set

1 by rule, regulation, or order, subject to sub-
2 paragraph (B).

3 “(B) OVERSIGHT PROTECTIONS.—In mak-
4 ing any loan under subparagraph (A)—

5 “(i) the borrower shall be made aware
6 that such loans are for those directly ad-
7 versely affected by a catastrophic national
8 disaster; and

9 “(ii) if such loans are made in co-
10 operation with a bank or other lending in-
11 stitution—

12 “(I) lenders shall document for
13 the Administrator how the borrower
14 was directly adversely affected by the
15 catastrophic national disaster; and

16 “(II) not later than 6 months
17 after the date of enactment of this
18 paragraph, and every 6 months there-
19 after, the Inspector General of the
20 Administration shall make a report
21 regarding such loans to the Com-
22 mittee on Small Business and Entre-
23 preneurship of the Senate and the
24 Committee on Small Business of the
25 House of Representatives, including

1 verification that the program is being
2 administered appropriately and that
3 such loans are being used for pur-
4 poses authorized by this paragraph.

5 “(C) FEES.—Notwithstanding any other
6 provision of law, the Administrator shall, in lieu
7 of the fee established under paragraph (23)(A),
8 collect an annual fee of 0.25 percent of the out-
9 standing balance of a loan made under this
10 paragraph.

11 “(D) EVALUATION OF LENDERS.—The Of-
12 fice of Lender Oversight of the Administration
13 shall evaluate the portfolio of loans for a lender
14 under this paragraph separately from the rest
15 of the loans made under this subsection by such
16 lender.

17 “(33) GUARANTEE FEES.—Notwithstanding
18 any other provision of law, the guarantee fee under
19 paragraph (18)(A) for a guarantee under this sub-
20 section of a loan made because of a catastrophic na-
21 tional disaster declared under subsection (b)(4),
22 shall be as follows:

23 “(A) A guarantee fee equal to 1 percent of
24 the deferred participation share of a total loan
25 amount that is not more than \$150,000.

1 “(B) A guarantee fee equal to 2.5 percent
2 of the deferred participation share of a total
3 loan amount that is more than \$150,000, but
4 not more than \$700,000.

5 “(C) A guarantee fee equal to 3.5 percent
6 of the deferred participation share of a total
7 loan amount that is more than \$700,000.”.

8 (2) SEPARATE TREATMENT FOR SUPPLE-
9 MENTAL EMERGENCY LOANS.—Only for purposes of
10 the Federal Credit Reform Act of 1990 (2 U.S.C.
11 661 et seq.), loans made or approved under section
12 7(a)(32) of the Small Business Act, as added by this
13 subsection, shall be treated as a separate program of
14 the Small Business Administration.

15 (3) AUTHORIZATION OF APPROPRIATIONS.—

16 (A) IN GENERAL.—There are authorized to
17 be appropriated to the Administration for each
18 of fiscal years 2007 through 2009, such sums
19 as may be necessary to carry out section
20 7(a)(32) of the Small Business Act, as added
21 by this subsection, including administrative ex-
22 penses and necessary loan capital.

23 (B) OFFSET COST.—Assistance under sec-
24 tion 7(a)(32) of the Small Business Act, as
25 added by this subsection, shall be available only

1 to the extent that funds are made available in
 2 advance in appropriations Acts to offset the
 3 cost (as such term is defined in section 502 of
 4 the Federal Credit Reform Act of 1990 (2
 5 U.S.C. 661a)) of providing such assistance.

6 (i) DEVELOPMENT COMPANY DEBENTURES.—

7 (1) AUTHORITY.—Section 503 of the Small
 8 Business Investment Act of 1958 (15 U.S.C. 697) is
 9 amended by adding at the end the following:

10 “(j) DEBENTURES AFTER A CATASTROPHIC NA-
 11 TIONAL DISASTER.—

12 “(1) AUTHORITY.—

13 “(A) IN GENERAL.—In addition to any
 14 other guarantee authorized by this section, the
 15 Administrator may guarantee the timely pay-
 16 ment of all principal and interest, as scheduled
 17 on any debenture issued to a qualified borrower.

18 “(B) TERMS.—The Administrator shall es-
 19 tablish a fee for a guarantee issued under sub-
 20 paragraph (A) that is lower than that for other
 21 guarantees under this section.

22 “(2) EXISTING GUARANTEES.—

23 “(A) IN GENERAL.—Notwithstanding any
 24 other provision of law, the Administrator may
 25 temporarily defer payments of principal and in-

1 terest on a guarantee made under this section
2 before the date on which a catastrophic national
3 disaster was declared to a qualified borrower di-
4 rectly adversely affected by such catastrophic
5 national disaster, in any case in which the pay-
6 ments are owed to the Administration.

7 “(B) PAYMENTS TO OTHER PARTIES.—
8 Notwithstanding any other provision of law, the
9 Administrator may temporarily make payments
10 of principal and interest on a loan made under
11 this section before the date on which a cata-
12 strophic national disaster was declared to a
13 qualified borrower directly adversely affected by
14 such catastrophic national disaster, in any case
15 in which the payments are owed to a person
16 other than the Administration.

17 “(C) TERMINATION OF AUTHORITY.—The
18 authority to defer, or make, payments under
19 this paragraph for a catastrophic national dis-
20 aster shall terminate 1 year after the date on
21 which such catastrophic national disaster was
22 declared.

23 “(3) DEFINITIONS.—In this subsection, the fol-
24 lowing definitions shall apply:

“(A) CATASTROPHIC NATIONAL DIS-
 ASTER.—The term ‘catastrophic national dis-
 aster’ means a catastrophic national disaster
 declared under section 7(b)(4) of the Small
 Business Act.

“(B) QUALIFIED BORROWER.—The term
 ‘qualified borrower’ means a small business con-
 cern located anywhere in the United States that
 has been directly adversely affected by a cata-
 strophic national disaster, based on such cri-
 teria as the Administrator may set by rule, reg-
 ulation, or order.”.

(2) SEPARATE TREATMENT.—Only for purposes
 of the Federal Credit Reform Act of 1990 (2 U.S.C.
 661 et seq.), debentures guaranteed under section
 503(j) of the Small Business Investment Act of
 1958, as added by this subsection, shall be treated
 as a separate program of the Small Business Admin-
 istration.

(3) AUTHORIZATION OF APPROPRIATIONS.—
 There are authorized to be appropriated such sums
 as may be necessary to carry out section 503(j) of
 the Small Business Investment Act of 1958, as
 added by this subsection.

1 **SEC. 12. REMOVING BARRIERS TO BONDING FOR SMALL**
2 **BUSINESSES.**

3 (a) REQUISITIONS.—Notwithstanding any other pro-
4 vision of law, for any procurement related to a declared
5 disaster that has been set aside for small business con-
6 cerns, the Administrator shall negotiate with the head of
7 the Federal agency making such procurement an agree-
8 ment to permit contracting officers to submit requisitions
9 on a biweekly basis.

10 (b) SURETIES.—

11 (1) IN GENERAL.—The Administrator shall
12 waive any increase in guarantee fees for a surety lo-
13 cated in a disaster area providing guarantees related
14 to contracts for disaster relief, recovery, or recon-
15 struction related to the aftermath of a declared dis-
16 aster under the Surety Bond Guarantee Program
17 under part B of title IV of the Small Business In-
18 vestment Act of 1958 (15 U.S.C. 694a et seq.) dur-
19 ing the 2-year period beginning on the date on which
20 the declared disaster was declared.

21 (2) PREFERRED PROGRAM.—For any contract
22 for relief, recovery, or reconstruction related to the
23 aftermath of a declared disaster, the Administrator
24 may permit a surety participating in the Preferred
25 Surety Bond Guarantee Program under section
26 411(a)(3) of the Small Business Investment Act of

1 1958 (15 U.S.C. 694b(a)(3)) to use rates approved
2 by the insurance commissioner in the State in which
3 such contract will be performed.

4 (3) REPORTING.—Not later than 180 days after
5 the date of enactment of this Act and annually
6 thereafter, the Administrator shall submit a report
7 to the Committee on Small Business and Entrepre-
8 neurship of the Senate and the Committee on Small
9 Business of the House of Representatives on the
10 availability of bonds to small business concerns per-
11 forming contracts for disaster relief, recovery, or re-
12 construction related to the aftermath of a declared
13 disaster.

14 (c) SMALL BUSINESS BONDING THRESHOLD.—Not-
15 withstanding any other provision of law, for all procure-
16 ments related to a declared disaster, the Administrator
17 may, upon such terms and conditions as it may prescribe,
18 guarantee and enter into commitments to guarantee any
19 surety against loss resulting from a breach of the terms
20 of a bid bond, payment bond, performance bond, or bonds
21 ancillary thereto, by a principal on any total work order
22 or contract amount at the time of bond execution that does
23 not exceed \$5,000,000, except that the Administrator may
24 increase such amount to \$10,000,000, at the discretion
25 of the Administrator.

1 **SEC. 13. USE OF LOCAL FIRMS AND INDIVIDUALS.**

2 (a) IN GENERAL.—Section 307 of the Robert T.
3 Stafford Disaster Relief and Emergency Assistance Act
4 (42 U.S.C. 5150) is amended to read as follows:

5 **“SEC. 307. USE OF LOCAL FIRMS AND INDIVIDUALS.**

6 “In the expenditure of Federal funds for debris clear-
7 ance, distribution of supplies, reconstruction, and other
8 major disaster or emergency assistance activities which
9 may be carried out by contract or agreement with private
10 organizations, firms, or individuals, preference shall be
11 given, to the maximum extent practicable, to those organi-
12 zations, firms, and individuals residing or doing business
13 primarily in the area affected by such disaster or emer-
14 gency. The Federal Government shall establish a goal to
15 award not less than 10 percent of such contracts to firms
16 within or in close proximity of the area in which the Presi-
17 dent has declared a major disaster during the term of such
18 designation. This section shall not be considered to restrict
19 the use of Department of Defense resources in the provi-
20 sion of major disaster assistance under this Act or any
21 other provision of law.”.

22 (b) NONDISCRIMINATION IN DISASTER ASSIST-
23 ANCE.—Section 308(b) of the Robert T. Stafford Disaster
24 Relief and Emergency Assistance Act (42 U.S.C. 5151(b))
25 is amended by adding at the end the following: “The re-
26 quirements of this subsection shall also apply to the

1 awarding of contracts for debris clearance, distribution of
 2 supplies, reconstruction, and other major disaster or emer-
 3 gency assistance activities and shall require governmental
 4 bodies to fully consider the utilization of expedited pro-
 5 curement tools for small business concerns, small business
 6 concerns owned and controlled by service-disabled vet-
 7 erans, and HUBZone small business concerns, as such
 8 terms are defined in section 3 of the Small Business Act
 9 (15 U.S.C. 632) and for small business concerns owned
 10 and controlled by socially and economically disadvantaged
 11 individuals, as such term is defined in section 8 of the
 12 Small Business Act (15 U.S.C. 637).”.

13 **SEC. 14. WAIVER OF MAXIMUM AMOUNT.**

14 Section 21(a)(4) of the Small Business Act (15
 15 U.S.C. 648(a)(4)) is amended by adding at the end the
 16 following:

17 “(D) DISASTERS.—The Administrator shall
 18 waive the maximum amount of \$100,000 for a grant
 19 under subparagraph (C)(viii) to a small business de-
 20 velopment center to provide assistance to small busi-
 21 ness concerns adversely affected by a major disaster
 22 (as defined in section 102 of the Robert T. Stafford
 23 Disaster Relief and Emergency Assistance Act (42
 24 U.S.C. 5122)) or a catastrophic national disaster de-
 25 clared under section 7(b)(4).”.

1 **SEC. 15. WAIVER OF GEOGRAPHIC RESTRICTIONS ON SBDC**
 2 **COUNSELORS.**

3 Section 21(b) of the Small Business Act (15 U.S.C.
 4 648(b)) is amended by adding at the end the following:

5 “(4) WAIVER OF GEOGRAPHIC RESTRICTIONS ON
 6 SBDC COUNSELORS.—

7 “(A) IN GENERAL.—The Administrator shall
 8 authorize any small business development center, re-
 9 gardless of location, to provide advice, information,
 10 and assistance, as described in subsection (c), to a
 11 small business concern located in an area in which
 12 the President declared a major disaster (as defined
 13 in section 102 of the Robert T. Stafford Disaster
 14 Relief and Emergency Assistance Act (42 U.S.C.
 15 5122)), during the period of such declaration.

16 “(B) CONTINUITY OF SERVICES.—A small busi-
 17 ness development center that provides counselors to
 18 an area described in subparagraph (A) shall, to the
 19 maximum extent practicable, ensure continuity of
 20 services in the State it currently serves.

21 “(C) ACCESS TO DISASTER RECOVERY FACILI-
 22 TIES.—For purposes of providing recovery assistance
 23 under this paragraph, the Administrator shall per-
 24 mit small business development center personnel to
 25 use any site or facility designated by the Administra-
 26 tion for use for such purpose.”.

1 **SEC. 16. CONGRESSIONAL OVERSIGHT.**

2 (a) MONTHLY ACCOUNTING REPORT TO CON-
3 GRESS.—

4 (1) IN GENERAL.—On the first Monday of each
5 month, the Administrator shall provide to the Com-
6 mittee on Small Business and Entrepreneurship of
7 the Senate and to the Committee on Small Business
8 of the House of Representatives a report on the dis-
9 aster loan program of the Administration for the
10 preceding month.

11 (2) CONTENTS.—Each report under paragraph
12 (1) shall include—

13 (A) the daily average lending volume, in
14 number of loans and dollars, and the percent by
15 which each category has increased or decreased
16 since the previous report under paragraph (1);

17 (B) the weekly average lending volume, in
18 number of loans and dollars, and the percent by
19 which each category has increased or decreased
20 since the previous report under paragraph (1);

21 (C) the amount of funding spent over the
22 month for loans, both in appropriations and
23 program level, and the percent by which each
24 category has increased or decreased since the
25 previous report under paragraph (1);

1 (D) the amount of funding available for
2 loans, both in appropriations and program level,
3 and the percent by which each category has in-
4 creased or decreased, noting the source of any
5 additional funding;

6 (E) an estimate of how long the available
7 funding for such loans will last, based on the
8 spending rate;

9 (F) the amount of funding spent over the
10 month for staff, along with the number of staff,
11 and the percent by which each category has in-
12 creased or decreased since the previous report
13 under paragraph (1);

14 (G) the amount of funding spent over the
15 month for administrative costs, and the percent
16 by which spending has increased or decreased
17 since the previous report under paragraph (1);

18 (H) the amount of funding available for
19 salaries and expenses combined, and the per-
20 cent by which funding has increased or de-
21 creased, noting the source of any additional
22 funding; and

23 (I) an estimate of how long the available
24 funding for salaries and expenses will last,
25 based on the spending rate.

1 (b) DAILY DISASTER UPDATES TO CONGRESS FOR
2 PRESIDENTIALLY DECLARED DISASTERS.—

3 (1) IN GENERAL.—Each day during a disaster
4 update period, excluding Federal holidays and week-
5 ends, the Administrator shall provide to the Com-
6 mittee on Small Business and Entrepreneurship of
7 the Senate and to the Committee on Small Business
8 of the House of Representatives a report on the op-
9 eration of the disaster loan program of the Adminis-
10 tration for the area in which the President declared
11 a major disaster or a catastrophic national disaster,
12 as the case may be.

13 (2) CONTENTS.—Each report under paragraph
14 (1) shall include—

15 (A) the allocations of loan processing, loss
16 verification, and additional field staff at Admin-
17 istration offices nationwide, as well as the allo-
18 cations of such staff at the various disaster
19 field offices, disaster recovery centers, and
20 workshops in each State in the relevant area;

21 (B) the daily number of applications re-
22 ceived from applicants in the relevant area, as
23 well as a breakdown of such figures by State;

24 (C) the daily number of applications pend-
25 ing application entry from applicants in the rel-

1 evant area, as well as a breakdown of such fig-
2 ures by State;

3 (D) the daily number of applications with-
4 drawn by applicants in the relevant area, as
5 well as a breakdown of such figures by State;

6 (E) the daily number of applications sum-
7 marily declined by the Administrator from ap-
8 plicants in the relevant area, as well as a break-
9 down of such figures by State;

10 (F) the daily number of applications de-
11 clined by the Administrator from applicants in
12 the relevant area, as well as a breakdown of
13 such figures by State;

14 (G) the daily number of applications in
15 process from applicants in the relevant area, as
16 well as a breakdown of such figures by State;

17 (H) the daily number of applications ap-
18 proved by the Administrator from applicants in
19 the relevant area, as well as a breakdown of
20 such figures by State;

21 (I) the daily dollar amount of applications
22 approved by the Administrator from applicants
23 in the relevant area, as well as a breakdown of
24 such figures by State;

1 (J) the daily amount of loans dispersed,
 2 both partially and fully, by the Administrator to
 3 applicants in the relevant area, as well as a
 4 breakdown of such figures by State;

5 (K) the daily dollar amount of loans dis-
 6 persed, both partially and fully, from the Dis-
 7 aster Area, as well as a breakdown of such fig-
 8 ures by State;

9 (L) the number of applications approved,
 10 including dollar amount approved, as well as
 11 applications partially and fully dispersed, in-
 12 cluding dollar amounts, since the last report
 13 under paragraph (1); and

14 (M) the declaration date, physical damage
 15 closing date, economic injury closing date, and
 16 number of counties included in the declaration
 17 of a major disaster.

18 (c) REPORT ON NEED FOR SUPPLEMENTAL
 19 FUNDS.—Not later than 3 months before the date on
 20 which the Administrator estimates funding will no longer
 21 be available for the disaster loan program of the Adminis-
 22 tration in any fiscal year, the Administrator shall submit
 23 a report to the Committee on Small Business and Entre-
 24 preneurship of the Senate and to the Committee on Small
 25 Business of the House of Representatives regarding the

1 need for supplemental funds for such loan program, in-
 2 cluding the amount needed to sustain such loan program
 3 at current funding rates through the end of the fiscal year
 4 in which the Administrator submits such report.

5 (d) REPORT ON CONTRACTING.—

6 (1) IN GENERAL.—Not later than 6 months
 7 after the date on which a declared disaster is de-
 8 clared, and every 6 months thereafter until the date
 9 that is 18 months after the date on which the de-
 10 clared disaster was declared, the Administrator shall
 11 submit a report to the Committee on Small Business
 12 and Entrepreneurship of the Senate and to the Com-
 13 mittee on Small Business of the House of Rep-
 14 resentatives regarding Federal contracts awarded as
 15 a result of the declared disaster.

16 (2) CONTENTS .—Each report submitted under
 17 paragraph (1) shall include—

18 (A) the total number of contracts awarded
 19 as a result of the declared disaster;

20 (B) the total number of contracts awarded
 21 to small business concerns as a result of the de-
 22 clared disaster;

23 (C) the total number of contracts awarded
 24 to women and minority-owned businesses as a
 25 result of the declared disaster; and

1 (D) the total number of contracts awarded
 2 to local businesses as a result of the declared
 3 disaster.

4 **SEC. 17. GRANT ASSISTANCE FOR MILITARY RESERVISTS'**
 5 **SMALL BUSINESS CONCERNS.**

6 (a) AUTHORIZATION OF GRANTS.—Section
 7 7(b)(3)(B) of the Small Business Act (15 U.S.C.
 8 636(b)(3)(B)) is amended by inserting “or grants” after
 9 “or deferred basis)”.

10 (b) GRANT SPECIFICATIONS.—Section 7(b)(3) of the
 11 Small Business Act (15 U.S.C. 636(b)(3)) is amended by
 12 inserting after subparagraph (F) the following:

13 “(G) Grants made under subparagraph
 14 (B)—

15 “(i) may be awarded in addition to
 16 any loan made under subparagraph (B);

17 “(ii) shall not exceed \$25,000; and

18 “(iii) shall be made only to a small
 19 business concern—

20 “(I) that provides a business plan
 21 demonstrating viability for not less
 22 than 3 future years;

23 “(II) with 10 or fewer employees;

1 “(III) that has not received an-
 2 other grant under subparagraph (B)
 3 in the previous 2 years.”.

4 (c) AUTHORIZATION OF APPROPRIATIONS.—Section
 5 20(e)(2) of the Small Business Act (15 U.S.C. 631 note)
 6 is amended by inserting after subparagraph (B) the fol-
 7 lowing:

8 “(C) GRANT ASSISTANCE FOR MILITARY
 9 RESERVISTS’ SMALL BUSINESSES.—There are
 10 authorized to be appropriated for grants under
 11 section 7(b)(3)(B)—

12 “(i) \$5,000,000 for the first fiscal
 13 year beginning after the date of enactment
 14 of this subparagraph; and

15 “(ii) \$5,000,000 for each of the 2 fis-
 16 cal years following the fiscal year described
 17 in clause (i).”.

18 **SEC. 18. ENERGY EMERGENCY RELIEF.**

19 (a) SMALL BUSINESS AND FARM ENERGY EMER-
 20 GENCY DISASTER LOAN PROGRAM.—

21 (1) SMALL BUSINESS DISASTER LOAN AUTHOR-
 22 ITY.—Section 7(b) of the Small Business Act (15
 23 U.S.C. 636(b)) is amended by inserting immediately
 24 after paragraph (10), as added by this Act, the fol-
 25 lowing:

1 “(11) ENERGY EMERGENCY RELIEF.—

2 “(A) DEFINITIONS.—For purposes of this
3 paragraph—

4 “(i) the term ‘base price index’ means
5 the moving average of the closing unit
6 price on the New York Mercantile Ex-
7 change for heating oil, natural gas, gaso-
8 line, or propane for the 10 days, in each
9 of the most recent 2 preceding years,
10 which correspond to the trading days de-
11 scribed in clause (ii);

12 “(ii) the term ‘current price index’
13 means the moving average of the closing
14 unit price on the New York Mercantile Ex-
15 change, for the 10 most recent trading
16 days, for contracts to purchase heating oil,
17 natural gas, gasoline, or propane during
18 the subsequent calendar month, commonly
19 known as the ‘front month’; and

20 “(iii) the term ‘significant increase’
21 means—

22 “(I) with respect to the price of
23 heating oil, natural gas, gasoline, or
24 propane, any time the current price

1 index exceeds the base price index by
 2 not less than 40 percent; and

3 “(II) with respect to the price of
 4 kerosene, any increase which the Ad-
 5 ministrator, in consultation with the
 6 Secretary of Energy, determines to be
 7 significant.

8 “(B) LOAN AUTHORITY.—

9 “(i) IN GENERAL.—The Administrator
 10 may make such loans, either directly or in
 11 cooperation with banks or other lending in-
 12 stitutions through agreements to partici-
 13 pate on an immediate or deferred basis, to
 14 assist a small business concern described
 15 in clause (ii).

16 “(ii) CRITERIA.—A small business
 17 concern described in this clause is a small
 18 business concern that—

19 “(I) has suffered or that is likely
 20 to suffer substantial economic injury
 21 on or after August 24, 2005, as the
 22 result of a significant increase in the
 23 price of heating oil, natural gas, gaso-
 24 line, propane, or kerosene occurring
 25 on or after August 24, 2005; and

1 “(II) if engaged in the heating oil
2 business, sells not more than
3 10,000,000 gallons of heating oil per
4 year.

5 “(C) APPLICABLE INTEREST RATE.—Any
6 loan or guarantee extended pursuant to this
7 paragraph shall be made at the same interest
8 rate as economic injury loans under paragraph
9 (2).

10 “(D) LOAN LIMITATION.—No loan may be
11 made under this paragraph, either directly or in
12 cooperation with banks or other lending institu-
13 tions through agreements to participate on an
14 immediate or deferred basis, if the total amount
15 outstanding and committed to the borrower
16 under this subsection would exceed \$1,500,000,
17 unless such borrower constitutes a major source
18 of employment in its surrounding area, as de-
19 termined by the Administrator, in which case
20 the Administrator, in its discretion, may waive
21 the \$1,500,000 limitation.

22 “(E) LOAN CRITERIA.—For purposes of
23 assistance under this paragraph—

24 “(i) a declaration of a disaster area
25 based on conditions specified in this para-

graph shall be required, and shall be made
by the President or the Administrator; or

“(ii) if no declaration has been made
pursuant to clause (i), the Governor of a
State in which a significant increase in the
price of heating oil, natural gas, gasoline,
propane, or kerosene has occurred may
certify to the Administration that small
business concerns have suffered economic
injury as a result of such increase and are
in need of financial assistance which is not
otherwise available on reasonable terms in
that State, and upon receipt of such cer-
tification, the Administrator may make
such loans as would have been available
under this paragraph if a disaster declara-
tion had been issued.

“(F) PERMISSIBLE USES.—Notwith-
standing any other provision of law, loans made
under this paragraph may be used by a small
business concern described in subparagraph (B)
to convert from the use of heating oil, natural
gas, gasoline, propane, or kerosene to a renew-
able or alternative energy source, including ag-
riculture and urban waste, geothermal energy,

1 cogeneration, solar energy, wind energy, or fuel
2 cells.”.

3 (2) CONFORMING AMENDMENTS.—Section 3(k)
4 of the Small Business Act (15 U.S.C. 632(k)) is
5 amended—

6 (A) by inserting “, significant increase in
7 the price of heating oil, natural gas, gasoline,
8 propane, or kerosene” after “civil disorders”;
9 and

10 (B) by inserting “other” before “eco-
11 nomic”.

12 (3) REPORT.—Not later than 12 months after
13 the date on which the Administrator issues guide-
14 lines under subsection (c)(1), and annually there-
15 after, until the date that is 12 months after the end
16 of the effective period of section 7(b)(11) of the
17 Small Business Act, as added by this subsection, the
18 Administrator shall submit to the Committee on
19 Small Business and Entrepreneurship of the Senate
20 and the Committee on Small Business of the House
21 of Representatives, a report on the effectiveness of
22 the assistance made available under that section
23 7(b)(11), including—

24 (A) the number of small business concerns
25 that applied for a loan under that section

1 7(b)(11) and the number of those that received
2 such loans;

3 (B) the dollar value of those loans;

4 (C) the States in which the small business
5 concerns that received such loans are located;

6 (D) the type of energy that caused the sig-
7 nificant increase in the cost for the partici-
8 pating small business concerns; and

9 (E) recommendations for ways to improve
10 the assistance provided under that section
11 7(b)(11), if any.

12 (4) EFFECTIVE DATE.—The amendments made
13 by this subsection shall apply during the 4-year pe-
14 riod beginning on the earlier of the date on which
15 guidelines are published by the Administrator under
16 subsection (c)(1), or 30 days after the date of enact-
17 ment of this Act, with respect to assistance under
18 section 7(b)(11) of the Small Business Act, as added
19 by this subsection.

20 (b) FARM ENERGY EMERGENCY RELIEF.—

21 (1) IN GENERAL.—Section 321(a) of the Con-
22 solidated Farm and Rural Development Act (7
23 U.S.C. 1961(a)) is amended—

24 (A) in the first sentence—

1 (i) by striking “operations have” and
 2 inserting “operations (i) have”; and

3 (ii) by inserting before “: *Provided*,”
 4 the following: “, or (ii)(I) are owned or op-
 5 erated by such an applicant that is also a
 6 small business concern (as defined in sec-
 7 tion 3 of the Small Business Act (15
 8 U.S.C. 632)), and (II) have suffered or are
 9 likely to suffer substantial economic injury
 10 on or after August 24, 2005, as the result
 11 of a significant increase in energy costs or
 12 input costs from energy sources occurring
 13 on or after August 24, 2005, in connection
 14 with an energy emergency declared by the
 15 President or the Secretary”;

16 (B) in the third sentence, by inserting be-
 17 fore the period at the end the following: “or by
 18 an energy emergency declared by the President
 19 or the Secretary”; and

20 (C) in the fourth sentence—

21 (i) by inserting “or energy emer-
 22 gency” after “natural disaster” each place
 23 that term appears; and

24 (ii) by inserting “or declaration” after
 25 “emergency designation”.

1 (2) FUNDING.—Funds available on the date of
2 enactment of this Act for emergency loans under
3 subtitle C of the Consolidated Farm and Rural De-
4 velopment Act (7 U.S.C. 1961 et seq.) shall be avail-
5 able to carry out the amendments made by para-
6 graph (1) to meet the needs resulting from energy
7 emergencies.

8 (3) REPORT.—Not later than 12 months after
9 the date on which the Secretary of Agriculture
10 issues guidelines under subsection (c)(1), and annu-
11 ally thereafter until the date that is 12 months after
12 the end of the effective period of the amendments
13 made to section 321(a) of the Consolidated Farm
14 and Rural Development Act (7 U.S.C. 1961(a)) by
15 this subsection, the Secretary shall submit to the
16 Committee on Small Business and Entrepreneurship
17 and the Committee on Agriculture, Nutrition, and
18 Forestry of the Senate and to the Committee on
19 Small Business and the Committee on Agriculture of
20 the House of Representatives, a report that—

21 (A) describes the effectiveness of the as-
22 sistance made available under that section
23 321(a) ; and

1 (B) contains recommendations for ways to
2 improve the assistance provided under that sec-
3 tion 321(a).

4 (4) EFFECTIVE DATE.—The amendments made
5 by this subsection shall apply during the 4-year pe-
6 riod beginning on the earlier of the date on which
7 guidelines are published by the Secretary of Agri-
8 culture under subsection (c)(1), or 30 days after the
9 date of enactment of this Act, with respect to assist-
10 ance under section 321(a) of the Consolidated Farm
11 and Rural Development Act (7 U.S.C. 1961(a)), as
12 amended by this subsection.

13 (c) GUIDELINES AND RULEMAKING.—

14 (1) GUIDELINES.—Not later than 30 days after
15 the date of enactment of this Act, the Administrator
16 and the Secretary of Agriculture shall each issue
17 guidelines to carry out subsections (a) and (b), re-
18 spectively, and the amendments made thereby, which
19 guidelines shall become effective on the date of their
20 issuance.

21 (2) RULEMAKING.—Not later than 30 days
22 after the date of enactment of this Act, the Adminis-
23 trator, after consultation with the Secretary of En-
24 ergy, shall promulgate regulations specifying the
25 method for determining a significant increase in the

- 1 price of kerosene under section 7(b)(11)(A)(iii)(II)
- 2 of the Small Business Act, as added by this Act.

